

**IN THE UNITED STATES BANKRUPTCY COURT FOR THE
EASTERN DISTRICT OF TENNESSEE
KNOXVILLE DIVISION**

IN RE:)	CASE NO. 3:19-bk-31431-SHB
)	
KEVIN L. TRENT,)	JUDGE BAUKNIGHT
)	
Debtor.)	CHAPTER 7

**HOMETRUST BANK’S RESPONSE AND OBJECTION TO
NOTICE OF TRUSTEE’S FINAL REPORT**

HomeTrust Bank (“HomeTrust”), a creditor in this bankruptcy case, by and through its attorneys, respectfully submits this Objection to the Notice of Trustee’s Final Report [Doc. 426] (the “Final Report”) on the grounds that: 1) the Final Report does not propose a disbursement to HomeTrust on account of its unsecured claim; and 2) the Final Report proposes to disburse \$27,803.50 to Nancy C. Humbard, Clerk & Master, Jefferson County, Tennessee (“Clerk & Master”) as the holder of an allowed priority claim where that Claim does not appear to assert a valid claim, much less a priority claim, against the Debtor’s bankruptcy estate. [See, Court Claim Register, Claim # 29-1 as amended by 29-2] (collectively the “Clerk & Master’s Claim” – a true and accurate copy of which is attached hereto as **Exhibit A** and is incorporated herein by reference). In support of this Objection, HomeTrust would show the Court that:

1. The Debtor, Kevin L. Trent, commenced this bankruptcy case by filing a Petition under Chapter 7, Title 11 U.S.C. with the Clerk of this Court on May 7, 2019.
2. The U.S. Trustee appointed Ann Mosteller as Trustee in this case on May 10, 2019. [Doc. 12].
3. HomeTrust is a creditor of the Debtor and this bankruptcy estate holding a claim (hereinafter “HomeTrust’s Claim”) in the amount of \$6,210,179.44 partially secured by valid, properly perfected, unavoidable liens against the Debtor’s interest in certain real

property located in Jefferson and Hamblen Counties, Tennessee commonly known as 2266 Wild Pear Trail in Dandridge (tenancy by the entireties) and 970 S. Outer in Morristown (collectively the “Real Property”). [See, Court Claim Register, Claim # 3] (the “HomeTrust Claim”). According to the Debtor’s Schedule A/B, the value of the Real Property securing the HomeTrust Claim is in the total amount of \$720,000.00 which is significantly less than the amount of that Claim. As a result, pursuant to 11 U.S.C. § 506, HomeTrust holds an unsecured claim in this case in an amount no less than \$5,490,179.44, less any post-petition payments and credits to which the Debtor is entitled, that should be paid as required by applicable provisions of Chapter 7. HomeTrust objects to the Final Report to the extent that it does not propose to do so.

4. On September 25, 2019, the Clerk & Master filed a Proof of Claim [See Exhibit A, Claim 29-1] for ad valorem property taxes in the total amount of \$415,979.41 asserting a secured claim in the amount of \$415,979.41 and a priority claim in the same amount.

5. On November 2, 2020, the Trustee filed an Objection to the Clerk & Master’s Claim [Doc. 281] (the “Trustee’s Claim Objection”). The Trustee asserted that her Objection was “predicated on the fact that according to the supporting documentation accompanying the claim, the claim was incurred in the name of GW Wyatt Contracting, LLC and there is no indication of personal liability of this Debtor.”

6. On May 7, 2021, the Clerk & Master filed an amended Proof of Claim [See Exhibit A, Claim 29-2] in the total amount of \$471,586.41 asserting a secured claim in the amount of \$415,979.41 and a priority claim in the amount of \$55,613.00. The Amended Claim included the 2019 ad valorem property taxes and did not assert a secured claim. HomeTrust submits that the Clerk & Master’s Amended Claim is not supported by any

documentation evidencing a right to payment against Debtor Kevin L. Trent and this bankruptcy estate.

7. On May 13, 2021, this Court entered an Agreed Order [**Doc. 407**], approved for entry by the Trustee and counsel for the Clerk & Master, resolving the Trustee's Claim Objection which provided that the Clerk & Master's Claim, as amended, would be allowed as a priority claim in the amount of \$27,803.50 and as an unsecured claim in the amount of \$443,782.91. HomeTrust was not a party to this Agreed Order.

8. HomeTrust submits that the Court should reconsider the allowance of the Clerk & Master's Claim pursuant to 11 U.S.C. § 502(j) and Bankruptcy Rule 3008 and, upon such reconsideration, disallow the Clerk & Master's claim in its entirety pursuant to 11 U.S.C. § 502(b). The Clerk & Master's Claim does not comply with Bankruptcy Rule 3001(c)(1) and/or (c)(2) in that it does not contain any supporting documentation that evidences a right to payment that is enforceable under applicable non-bankruptcy law against the Debtor or the Debtor's bankruptcy estate.

9. HomeTrust objects to the Final Report to the extent that it proposes to pay the Clerk & Master's Claim as a priority claim. Furthermore, HomeTrust would object to any Final Report that proposes to pay the Clerk & Master's Claim at all on the grounds that the Clerk & Master is not a creditor of this bankruptcy estate and the Clerk & Master's Claim is not a valid claim against this bankruptcy estate.

WHEREFORE, HomeTrust Bank respectfully submits this Objection to the Trustee's Final Report, requests that the Court Clerk set this matter for a hearing and that, at said hearing, the Court sustain HomeTrust's Objection and grant HomeTrust the relief requested herein and any other and further relief to which it deems HomeTrust entitled.

Respectfully submitted,

**VAN WINKLE, BUCK, WALL, STARNES
AND DAVIS, P.A.**

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CERTIFICATE OF SERVICE

I certify that on this 24th of August, 2021, I served a true and accurate copy of the foregoing **Response and Objection to Trustee's Final Report** through the Court's Electronic Case Filing system, except where as indicated service was made through the United States Mail, First Class, postage prepaid, upon the following:

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